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DECISION



Tyler Przybylak
Proc. II
**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

FILE: B-187497

DATE: March 14, 1977

MATTER OF: Memorex Corporation

DIGEST:

1. Agency's determination to procure on basis of agency-wide systems requirements rather than on basis of individual installation needs will not be disturbed absent clear showing of unreasonableness.
2. Preclusion of particular offeror from procurement does not render specifications unduly restrictive where specifications reflect legitimate agency needs.

Memorex Corporation (Memorex) protests as unduly restrictive of competition and not in the interest of a fair, adequate and open procurement, the requirements, terms and conditions of request for proposals (RFP) No. DAAB05-76-R-0021, issued by the Washington Procurement Office of the U.S. Army Electronics Command.

The subject RFP called for the exchange/sale of IBM Plug-Compatible Direct Access Storage Devices (DASD) with applicable maintenance and software, to be used in support of 11 U.S. Army Materiel Development and Readiness Command (DARCOM) installations. An amendment to the solicitation required that all DASD Spindles be of the same type, i.e., IBM 3330 type, single density disc drives. All such equipment was to be manufactured by a single source and was to incorporate the latest engineering changes. Memorex states that these requirements give "an unnecessary advantage to a limited number of suppliers" and prevent consideration of alternative approaches which would satisfy the Army's needs and which would be cost advantageous to the Government.

Federal Data Corporation also protested this solicitation, alleging that the requirement for only single density DASD Spindles violates the terms of the exchange/sale authority in the Federal Property Management Regulations, Part 101-46, which requires that a transaction foster the economical and efficient

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accomplishment of an approved program. Federal Data was furnished a copy of the DARCOM response to its allegation and on November 9, 1976, this Office requested that Federal Data either furnish us written comments on the report or provide some indication of continued interest in the resolution of its protest. We have received no response from Federal Data, and therefore assume that the firm is no longer interested in the matter. Consequently, the Federal Data allegation will not be considered.

The Memorex position is set forth by the protester as follows:

"The specifications require a single vendor to attach approximately 600 disc devices to 17 IBM 360/65 computer systems and 3 IBM 360/50 computer systems, all of which utilize the OS operating system. * * * Only 56 of the total 600 or 10% of the total procurement will be installed at sites requiring the IBM 360/50 attachment feature. The majority of the suppliers of the 3330-1 type devices can attach to the IBM 360/65 computers; only a limited number can attach their devices to the 360/50 computers operating under OS. The requirement for interfacing discs to the IBM 360/50 represents only 10% of the total procurement. The technical requirements governing this solicitation thus limit the number of suppliers to ITEL and possibly one or two others because of their ability to respond to the 360/50 attachment; while the majority of suppliers qualified to respond to 90% of the requirement will be eliminated because of the 360/50 attachment feature."

This protest followed DARCOM's rejection of a Memorex request that the procurement be divided into two lots: one lot covering devices requiring the IBM 360/50 OS attachment feature, and a second lot encompassing the remaining devices.

DARCOM explains its position as follows:

"The Memorex request was seriously considered but was refused for good technical and functional reasons. First, as stated in the solicitation (Section II, b, page 49) two 360/50s

are used to support the Standard Logistics Control System. The system uses standard job control language (JCL) and a standard IBM operating system (OS). If the solicitation were split, two different vendors' hardware could be selected requiring two separate modifications to the OS and even separate JCL. This would be an unacceptable situation. Second, operational conditions frequently require that disks be shifted from one configuration to another within a given installation and sometimes between installations. To honor the Memorex request would severely restrict this flexibility. Third, the Army wishes to establish a Standard Dual Configuration at several sites. Having different vendors would hinder this effort and in some cases make it impossible."

In response, Memorex disputes DARCOM's technical position, asserting that two OS modifications, one for the IFB 360/50s and another for the 360/65s, would have to be provided regardless of whether the procurement was conducted on a one lot or two lot basis. In turn, DARCOM suggests that the problem is not so simple:

"THE OPERATING SYSTEM PROBLEM IS A COMPLEX ONE. IF THE SOLICITATION WERE SPLIT INTO TWO LOTS AS MEMOREX HAS SUGGESTED, THEN A VERY TROUBLESOME PROBLEM WILL EXIST AT TROSCOM. TROSCOM HAS ONE MODEL 65 AND TWO MODEL 50 COMPUTERS. THE MODEL 65 AND ONE MODEL 50 RUN WITH AN OPERATING SYSTEM SUPPLIED BY ALMSA. THIS IS THE SAME OPERATING SYSTEM SUPPLIED TO SEVEN SITES LISTED ON THE SOLICITATION. IF THE SOLICITATION WERE SPLIT INTO TWO LOTS, ALMSA MIGHT BE REQUIRED TO SUPPLY THREE DISTINCT OPERATING SYSTEMS. ONE FOR SIX SITES UTILIZING ONLY MODEL 65 CENTRAL PROCESSING UNITS AND TWO FOR TROSCOM UTILIZING A MODEL 65 AND ONE MODEL 50. THE OPERATING SYSTEM FOR THE MODEL 65'S AT SIX SITES MIGHT NOT BE COMPATIBLE WITH THE OPERATING SYSTEM UTILIZED ON THE MODEL 65 AT TROSCOM. THE COMPLEXITY OF MAINTAINING MORE THAN ONE VERSION OF THE OPERATING SYSTEM AND CONTROLLING THE FIELDING OF CHANGES IS ENORMOUS AND THE DEGREE OF COMPLEXITY PROBABLY INCREASES EXPONENTIALLY WITH EACH REQUIRED ADDITIONAL VERSION OF THE OPERATING SYSTEM."

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Furthermore, DARCOM indicates that it believes a single source of supply will provide it not only with the maximum system flexibility it needs, but also the lowest possible cost because of the advantages of economy of scale inherent in the exchange/purchase of 600 disc devices.

Basically, what is at issue here is the propriety of the Army's decision to delineate its requirements in accordance with its overall automatic data processing systems needs instead of specifying the needs of individual installations. A decision to procure by means of a systems approach rather than by separate procurements is within the discretion of the contracting activity and will not be disturbed by our Office in the absence of a clear showing that it lacked a reasonable basis. General DataComm Industries, Inc., B-182556, April 9, 1975, 75-1 CPD 218; Allen and Vickers, Inc., American Laundry Machinery, 54 Comp. Gen. 445 (1974), 74-2 CPD 303; 53 Comp. Gen. 270 (1973). In view of the Army's statements and the overall record in this case, we cannot conclude that a clear showing of unreasonableness has been made by Memorex.

Furthermore, we point out that this is not a case involving a sole-source situation; five proposals have been received in response to the solicitation. In this regard, we have often stated that the preclusion of one or more potential offerors from a particular competition does not render a specification unduly restrictive if, in fact, the specification represents the legitimate needs of the Government. Gardner Machinery Corporation; G.A. Braun, Incorporated, B-185418, September 15, 1976, 76-2 CPD 245; 45 Comp. Gen. 365, 368 (1965). Since it appears that the Army's specifications are reasonably related to its minimum needs, the de facto exclusion of Memorex from this competition because that firm does not or will not offer the particular type disc specified in the RFP is not improper.

The protest of Memorex Corporation is denied.

Deputy


Comptroller General
of the United States